

Northern Arizona University

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DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	2,083.2	2,086.7	2,126.8
Personal Services	100,837,100	113,045,900	115,912,600
Employee Related Expenditures	30,968,600	40,082,200	40,729,400
Professional and Outside Services	3,802,300	2,342,400	2,222,000
Travel - In State	616,000	627,700	635,400
Travel - Out of State	908,900	32,300	58,100
Other Operating Expenditures	22,120,900	16,802,400	19,502,700
Library Acquisitions	1,932,300	1,613,700	1,613,700
Equipment	1,329,600	1,725,700	1,898,300
OPERATING SUBTOTAL	162,515,700	176,272,300	182,572,200
SPECIAL LINE ITEMS			
Research Infrastructure Lease-Purchase Payment	0	0	5,900,000
NAU - Yuma	2,126,000	2,383,900	2,383,900
AGENCY TOTAL	164,641,700	178,656,200	190,856,100
FUND SOURCES			
General Fund	122,653,600	135,949,400	145,571,700
<u>Other Appropriated Funds</u>			
University Collections Fund	41,988,100	42,706,800	45,284,400
SUBTOTAL - Other Appropriated Funds	41,988,100	42,706,800	45,284,400
SUBTOTAL - Appropriated Funds	164,641,700	178,656,200	190,856,100
Other Non-Appropriated Funds	117,488,900	131,328,100	129,337,300
Federal Funds	41,427,800	44,884,500	45,781,900
TOTAL - ALL SOURCES	323,558,400	354,868,800	365,975,300

CHANGE IN FUNDING SUMMARY

	FY 2007 to FY 2008 JLBC	
	\$ Change	% Change
General Fund	9,622,300	7.1%
Other Appropriated Funds	2,577,600	6.0%
Total Appropriated Funds	12,142,400	6.8%
Non Appropriated Funds	(1,990,800)	(1.5%)
Total - All Sources	11,049,000	3.1%

AGENCY DESCRIPTION — Established in 1899, Northern Arizona University (NAU) is one of 3 public universities governed by the Arizona Board of Regents (ABOR). NAU offers 163 degree-programs to approximately 20,000 students in 9 colleges and schools and 1 center at its campus in Flagstaff. The university's primary focus is undergraduate residential education. The university is also responsible for providing the large majority of statewide public distance learning programs, both over the Internet and through 29 instructional sites, including a Yuma Campus that operates in conjunction with Arizona Western College.

Any unencumbered balances remaining in the collections account on June 30, 2007 and all collections received by the university during the fiscal year, when paid into the State Treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the Permanent Land Funds are appropriated in compliance with the Enabling Act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the State Treasury, together with any unencumbered balance in the summer session account, are hereby appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Discretionary Adjustment

The FY 2007 budget provided \$3,200,000 from the General Fund as a discretionary adjustment to the NAU Operating Budget. The university is able to utilize these monies for any operational or capital functions at any campus and it is incorporated into the university's base

operating budgets in future years. Of the \$3.2 million discretionary adjustment:

- \$2.2 million will be used long-term to address NAU's Educating Arizonans program. This program focuses on resident student access and success in obtaining a bachelor's degree. Of this amount, \$1.2 million will be used for statewide expansion of NAU's distance learning programs, and \$1 million for undergraduate support;
- \$450,000 is to make salaries more competitive;
- \$550,000 will be used to improve the learning environment in facilities and classrooms to address critical building issues.

ABOR Tuition Increases

On November 30, 2006, ABOR approved tuition amounts (excluding fees) for FY 2008. *(For more information, please see the Arizona Board of Regents section of this report.)*

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Auxiliary Fund (No Fund Number/A.R.S. § 15-1601) Non-Appropriated		
Source of Revenue: Sales revenues of substantially self-supporting university services.		
Purpose of Fund: To provide university-related non-academic services for students, faculty, staff, and the public. Auxiliary enterprises include student housing, bookstores, student unions, and intercollegiate athletics.		
Funds Expended	50,973,100	54,223,000
Year-End Fund Balance	14,963,000	14,988,400
Designated Fund (No Fund Number/A.R.S. § 15-1601) Non-Appropriated		
Source of Revenue: Retained tuition and fees, summer session fees, student aid administrative allowances, and unrestricted gifts and grants.		
Purpose of Fund: To provide and administer student financial aid, to pay debt service on university bonds, and to run summer and winter session programs. The university designates monies in the fund into sub-accounts for specific purposes. Indirect Cost Recovery, a Designated sub-account, is presented separately.		
Funds Expended	42,517,200	52,628,900
Year-End Fund Balance	23,215,200	16,776,600
Endowment and Life Income Fund (No Fund Number/A.R.S. § 15-1601) Non-Appropriated		
Source of Revenue: Interest income on invested endowment and life income gifts, a portion of financial aid trust fees assessed to students, and a portion of university trust land earnings.		
Purpose of Fund: To accumulate earnings to a level that will support a financial aid program.		
Funds Expended	0	0
Year-End Fund Balance	14,385,700	15,895,700
Federal Grant Fund (No Fund Number/A.R.S. § 15-1666) Non-Appropriated		
Source of Revenue: Federal grants and contracts.		
Purpose of Fund: To support specific operating and research purposes as identified by the federal government.		
Funds Expended	40,041,300	43,470,300
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Federal Indirect Cost Recovery Fund (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Federally sponsored research programs.		
Purpose of Fund: To assist and promote federally sponsored research.		
Funds Expended	1,386,500	1,414,200
Year-End Fund Balance	3,157,100	3,450,900
Indirect Cost Recovery Fund (Non-Federal) (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Non-federally sponsored research programs.		
Purpose of Fund: To assist and promote non-federally sponsored research.		
Funds Expended	814,500	830,800
Year-End Fund Balance	427,700	548,200
Loan Fund (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Interest on federal student loans and reimbursements from federal loan forgiveness programs.		
Purpose of Fund: The federal government provides the majority, or 95% of funding for these loans. The amounts displayed do not include an administrative allowance, which is reflected in the Designated Fund.		
Funds Expended	335,600	340,000
Year-End Fund Balance	6,973,000	6,980,000
Restricted Fund (Excluding Federal Funds) (No Fund Number/A.R.S. § 15-1601)		Non-Appropriated
Source of Revenue: Private and non-federal grants, including non-appropriated Technology and Research Initiative Fund grants (<i>please see the Arizona Board of Regents Summary of Funds,</i>) as well as a portion of financial aid trust fees assessed to students.		
Purpose of Fund: To support specific operating and research purposes as identified by the private or non-federal donating entities.		
Funds Expended	22,848,500	23,305,400
Year-End Fund Balance	16,539,900	18,437,600
University Collections Fund (NAA1421/A.R.S. § 15-1626)		Appropriated
Source of Revenue: Tuition and registration fees, as well as a portion of university trust land earnings.		
Purpose of Fund: To operate the university.		
Funds Expended	41,988,100	42,706,800
Year-End Fund Balance	0	0